

Business Update

Lower taxes in 2007

Washington employers will pay 13 percent less in unemployment-insurance taxes this year, thanks to tax cuts approved by the Governor and state legislature in 2006. Total savings will top \$58 million for the year.

This is especially good news for smaller businesses. Approximately 67,000 small businesses in the lowest tax bracket will pay less than half of what they paid in unemployment-insurance taxes in 2005.

What this means to you

Your savings depend on which rate class you are in. If you are in the lowest rate class, you will pay 25.5 percent less in taxes in 2007 than you did in 2006, on average. If you are in the highest rate class, you will save about 2 percent on your tax bill for the year.

It is important to note, however, that you may not see a decrease in your rate if you moved to a higher rate class this year. Your overall tax rate may be higher to cover the cost of benefits paid to your workers.

Refer to the tax rate notice we sent you in December for details about your individual tax rate for 2007.

Update your information

We regularly send you information about your unemployment taxes and your employees who collect benefits. Many notices we send affect your tax rate, so it is important that we are able to get in touch with you. Tell us if you:

- Change your mailing address.
- Move or add another business location.
- Change or add a phone number.
- Change or add an e-mail address.

To make sure you are paying the correct taxes, we also need to know if you:

- Sell your business, including who you sold it to.
- Go out of business or no longer have employees.
- Add or replace owners, corporate officers or partners.
- Grant someone power of attorney.

When you make changes to your business, please send your new information in writing to your district tax office. Be sure to include your Employment Security reference number.

More tax forms

If you need additional Quarterly Wage Detail Report (5208B) forms, send an e-mail to taxforms@esd.wa.gov or call 360-902-0916.

You can avoid forms altogether by filing your taxes at www.efile.go2ui.com.

Please share this with:

- ☐ Owner
- ☐ Accountant/Bookkeeper
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other _____

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Quarterly Tax Tip:

Verify your employees' Social Security numbers online

You are required to report your employees' Social Security numbers (SSNs), earnings and the hours they work each quarter. Incorrect information can lead to inaccurate benefit payments and higher taxes for you.

To verify your employees' SSNs online, register at www.socialsecurity.gov/bso/bsowelcome.htm. Then, log into www.socialsecurity.gov/employer/ssnv.htm to check that your employees' SSNs and names match. If you have questions, contact your district tax office.

Protect your tax dollars

The Employment Security Department is committed to fighting fraud in the unemployment-insurance system. In 2006, we uncovered \$16.7 million in benefits fraud, which we are aggressively collecting, and we prevented another \$9.8 million in fraudulent claims from being paid out. We also launched a new unit to find and prevent fraud by employers.

You can help reduce fraud, too.

Benefits fraud

If one of your workers collects unemployment benefits, those benefits are charged back to your account, and they help determine your tax rate for the next four years. You can control your costs by making sure that only workers who earn benefits get them.

- **File accurate tax and wage reports.** The information you submit each quarter determines if a person qualifies for benefits. If you provide incorrect information or fail to include the hours each person worked, your workers may collect benefits they have not earned.
- **Respond to notices we send you.** This is particularly important for notices related to the reason a worker left the job. If you do not reply, we will take the worker's word for why he or she is no longer working.
- **Report new hires.** This stops people from collecting benefits after they've gone back to work. You can report online at www1.dshs.wa.gov/nwhire/ or by calling 800-562-0479 and selecting option 3.

Employer fraud

When employers do not pay their fair share of taxes, other employers must cover those costs – which can mean higher taxes for you. You can reduce those costs by reporting dishonest employers.

If you know of an employer that has not registered with us, is paying its employees “under the table” or is involved in some other type of tax-evasion scheme, call us at 360-902-9450 or e-mail us at: undergroundeconomy@esd.wa.gov.

For more information on how you can control your unemployment-insurance costs, contact your district tax office.

Required posters available at no cost

Employers are required to display information about unemployment insurance for their employees. The required poster is available online.

English www.poster.go2ui.com

Spanish www.spanishposter.go2ui.com

If you need multiple copies, e-mail us at taxforms@esd.wa.gov – include the number of posters you need and your mailing address.



Employment Security Department
WASHINGTON STATE

The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

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Report a Fraud

Do you know an employer who is not paying taxes? Someone who is collecting unemployment, but not looking for work, or is working “under the table”? Or someone who is collecting worker's comp, but not really injured? This is fraud - and it costs everyone.

Call 1.888.811.5974 or report online at www.lni.wa.gov/main/fraud.

District Tax Offices

Bellevue	425.649.4388
Bellingham	360.676.2070
Lynnwood	425.774.2380
Seattle North	206.706.3801
South Sound*	253.593.7380
Spokane	509.532.3090
Tri-Cities	509.735.0939
Vancouver	360.735.5050
Wenatchee	509.662.0448
Yakima	509.574.0137

Out of State 360.902.9620

* South Sound serves businesses in South King, Pierce, Kitsap, Thurston, Mason, Lewis, Grays Harbor and North Pacific counties.

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